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RECORDATION NO. 25207 FILED

SEP 23 '04

4-06 PM

SURFACE TRANSPORTATION BOARD

lgitomer@dc.bjllp.com

September 23, 2004

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of September 23, 2004. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

General Electric Capital Corporation
6130 Stoneridge Mall Road, Suite 300
Pleasanton, CA 94588

Lessee:

SP Newsprint Co.
1 Crown Center
1895 Phoenix Boulevard, Suite 400
Atlanta, GA 30349

A description of the equipment covered by the Memorandum of Lease Agreement consists of one SW-15 locomotive numbered WRIX 3529.

BALL JANIK LLP

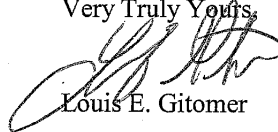
Honorable Vernon A. Williams
September 23, 2004
Page 2

A fee of \$ 30.00 is enclosed. Please return the original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between General Electric Capital Corporation, 6130 Stoneridge Mall Road, Suite 300, Pleasanton, CA 94588, and SP Newsprint Co., 1 Crown Center, 1895 Phoenix Boulevard, Suite 400, Atlanta, GA 30349, covering one SW-15 locomotive numbered WRIX 3529.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 25207 FILED

SEP 23 '04

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of September 23, 2004

between

SP NEWSPRINT CO.,
as Lessee,

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on September __, 2004 at __: __ m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of September 23, 2004, by and between GENERAL ELECTRIC CAPITAL CORPORATION ("Lessor") and SP NEWSPRINT CO. ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, that certain locomotive described on Exhibit No. 1 attached hereto.

The locomotive is more fully described in that certain Locomotive Lease Agreement dated as of September 23, 2004, and Schedule No. 1 thereto and incorporating the terms thereof, dated as of September 23, 2004 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

GENERAL ELECTRIC CAPITAL CORPORATION

By: Teresa Rhodhouse
Name: Teresa Rhodhouse
Title: Risk Analyst

SP NEWSPRINT CO.

By: Joseph R. Gorman
Name: Joseph R. Gorman
Title: President & CEO

STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On this 22nd day of September, 2004, before me appeared Teresa Rhodhouse, the person who signed this instrument, who acknowledged that (s)he is the Risk Analyst of GENERAL ELECTRIC CAPITAL CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Maria Charm Rachaetayakom
Notary Public

My commission expires:

January 10, 2006



STATE OF GEORGIA)
COUNTY OF Fayette) ss.

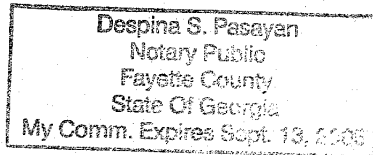
On this 21st day of September, 2004, before me appeared Joseph R. Gorman, the person who signed this instrument, who acknowledged that (x) he is the President/CEO of SP NEWSPRINT CO. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

D. Pasayan
Notary Public

My commission expires:

Sept. 13, 2005



**EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT**

DESCRIPTION OF LOCOMOTIVE AND REPORTING MARKS

EMD Model SW-15 Locomotive Numbered WRIX 3529

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Memorandum of Lease Agreement dated as of September 23, 2004, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in dark ink, appearing to read 'L. E. Gitomer', is written over a horizontal line.

Louis E. Gitomer
September 23, 2004